
IT Plan – Agency Submitted

401 OFFICE OF THE INSURANCE COMMISSIONER

Version: 2007-B-01-00401

Project: Infrastructure

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Agency IT Overview

The North Dakota Insurance Department is a state regulatory agency headed by the Insurance Commissioner. The Department maintains offices on the fifth floor of the State Capitol, and at 1701 South 12th Street in Bismarck. The Department has 45.5 FTE's. All fees and fines paid by companies or agents are deposited into the Insurance Regulatory Trust Fund, from which the money to operate the Department is appropriated by the Legislature.

It is the mission of the North Dakota Insurance Department to protect the public good by fairly and effectively administering the laws of North Dakota. We are committed to vigorous consumer protection efforts while fostering a strong, competitive marketplace that provides consumers with choices and access to high-quality insurance products and services at competitive prices. In pursuit of our mission, we will treat all of our constituencies with the highest ethical standards and respect they deserve.

The Department is comprised of six major divisions as outlined below:

Legal & Enforcement Division:

The Legal & Enforcement Division provides advice and counsel to the Commissioner and other Department staff, investigates insurance fraud, conducts market conduct examinations, and pursues enforcement of actions against insurance agents and companies for violations of insurance law. The division drafts all legislation and administrative rules proposed by the Insurance Department. The division also oversees the collection of premium tax.

Consumer Protection Divisions – Property & Casualty and Life & Health:

The Consumer Protection Divisions review policy forms to ensure that policy language complies with all the laws of this state, properly reflects the benefits provided by the policy, and is not deceptive or misleading.

For most types of insurance, these divisions evaluate the premium rates companies propose to charge to assure that the premiums are not excessive, inadequate, or unfairly discriminatory.

The Consumer Protection Divisions also investigate consumer inquiries and complaints against insurance companies and agents in order to ensure the fair treatment of policyholders. Hotline staff receives approximately 25 calls per day from consumers who need help resolving an insurance-related matter.

In addition, within the Life & Health Consumer Protection Division are the following programs:

Senior Health Insurance Counseling (SHIC) Program

The SHIC program which works with trained volunteers throughout the state to help senior citizens with questions about Medicare and related health insurance policies. The number of SHIC counselors increased from 90 (as of 4/1/05) to 130 (as of 2/3/06). From Fall, 2005 through May, 2006, the SHIC 888-number received over 5,000 calls with questions regarding the new Medicare Part D and Medicare Advantage plans.

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Prescription Connection for ND Program

The Prescription Connection for ND Program connects qualified people with discount drugs, direct from the manufacturer. This program was started on December 1, 2003.

Examinations & Company Licensing Division:

The Examinations and Company Licensing Division continually monitors the financial strength of insurance companies to help assure they have enough money to pay policyholder claims. It performs periodic financial audits of North Dakota based companies to assure they are financially sound and complying with state laws dealing with insurance company financial matters.

This division oversees the licensing of approximately 1,400 insurance companies doing business in the state. Companies seeking to sell insurance in North Dakota must go through a precensure review to screen out those companies that are either financially troubled or have a history of regulatory problems in other states.

Agent Licensing & Investigation Division:

Agent Licensing

The Agent Licensing & Investigation Division licenses approximately 37,000 agents doing business in the state. Before any person can be licensed to sell insurance, he or she must complete precensure courses and pass a precensuring examination for the lines of insurance the individual wishes to sell.

This division is assigned all duties necessary to carry out the issuing, renewal and ongoing processing of agent licensing, including license applications, renewals, agent appointments, continuing-education filing reports and course approval for continuing education courses.

Investigations

The investigations area of the division is responsible for conducting agent and company investigations on behalf of the public. This includes handling all consumer complaints regarding agents, and life-and-health complaints against insurance companies to ensure the fair treatment of policyholders.

The investigations area also works with the Legal & Enforcement Division to enforce the laws applicable to the conduct of insurance agents and companies doing business in the state. If the results of the investigation determine that laws have been violated, the staff will work with the Legal & Enforcement Division to bring administrative action against the agent or insurance company.

Administration Division:

The Administration Division is responsible for the accounting, budget, information-technology needs and general office support for the department. This division oversees the Fire District payments and assists with the premium tax collection process. The Division also oversees the Department's day-to-day business operations, human resources and personnel management.

Special Funds Division:

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The Special Funds Division administers several state funds on behalf of the Insurance Department. These Funds include:

State Fire and Tornado Fund

The State Fire and Tornado Fund insures buildings, outdoor, trailer and personal property belonging to state agencies and political subdivisions. The Fund provides low-cost insurance on approximately 18,500 properties throughout the state with total values insured of approximately \$7.2 billion. The largest policyholders are state universities and the smallest are townships. The annual premium is approximately \$4.8 million.

State Bonding Fund

The State Bonding Fund provides a blanket fidelity bond for state agencies and political subdivisions providing coverage in the event of an employee theft of property or money. There are a total of 2,948 entities that are bonded with a limit of liability totalling \$418,975,469.

Petroleum Tank Release Compensation Fund

The Petroleum Tank Release Compensation Fund. The federal government requires all owners of underground petroleum tanks prove their financial ability to clean up petroleum contamination resulting from a leak. This Fund was created to help pay for cleaning up spills.

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Boiler and Anhydrous Ammonia Facility Inspection Program

The Boiler and Anhydrous Ammonia Facility Inspection Program provides mechanical inspection of boilers and pressure vessels and their components. Inspections are conducted on a recurring basis to safeguard the lives of those exposed to vessels under pressure; to protect persons and property generally; and to place, by reasonable regulation, responsibility for compliance with the owner and users. The state currently has 8,629 active boilers.

Agency IT Plan Contact Data

IT Contacts for the Insurance Department:

Rebecca Ternes, Deputy Insurance Commissioner, 328-4985

Laurie Scully, IT Coordinator, 328-2503

Agency Technology Goals And Objectives

Goal:

Meet the IT needs required by technological growth and changes, business processes and government regulation.

Objectives:

- 1) Maintain and enhance the computer systems so they continue to meet ITD and Department standards.
- 2) Develop new applications as necessary to improve customer service and create efficiencies.
- 3) Implement technology that will reduce the amount of paper being handled.
- 4) Implement technology that will provide faster means of filing and retrieving documents.
- 5) Continue to support the technology that assists the citizens of ND.

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1. If applicable, describe the reason for any extraordinary increase or decrease in your infrastructure costs.

2. Total number of desktop computers: 33
Number of desktops for which you are requesting replacement funding: 14
Average replacement cost/desktop: 866

3. Total number of laptop computers: 16
Number of laptops for which you are requesting replacement funding: 9
Average replacement cost/laptop: 1,800

What state planning region are these desktop/laptop computers located?

Region 1	0	2	0	3	0	4	0	5	2	6	0	7	47	8	0
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4. What percentage of these pcs are running the following operating systems:

(total should be equal to 100%)

Windows 98	0 %
Windows NT	0 %
Windows 2000	5 %
Windows XP	95 %
Other	0 %

5. What additional expenditures are being paid out of non-appropriated funds?

Please explain:

Agency Technology Activities

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		CURRENT APPROPRIATION	BUDGET REQUEST	OPTIONAL ADJUSTMENTS	REQUEST PLUS OPTIONALS	SUBSEQUENT BIENNIUM
IT5310	IT SOFTWARE AND SUPPLIES	\$35,000	\$35,000	\$0	\$35,000	\$35,220
IT5510	IT EQUIPMENT UNDER \$5000	\$44,866	\$40,200	\$0	\$40,200	\$40,543
IT6010	IT DATA PROCESSING	\$509,753	\$450,000	\$0	\$450,000	\$460,000
IT6020	IT COMMUNICATIONS	\$70,000	\$85,000	\$0	\$85,000	\$85,000
IT6030	IT CONTRACT SERVICES & REPAIRS	\$16,080	\$13,470	\$0	\$13,470	\$13,500
	Total Budget:	\$675,699	\$623,670	\$0	\$623,670	\$634,263
211	STATE FIRE & TORNADO FUND 211	\$0	\$11,360	\$0	\$11,360	\$11,400
239	INSURANCE REG. TRUST FUND 239	\$675,699	\$610,566	\$0	\$610,566	\$621,013
R052	HCFA	\$0	\$1,744	\$0	\$1,744	\$1,850
	Total Funding:	\$675,699	\$623,670	\$0	\$623,670	\$634,263

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Project: BVS-001 Boiler and Anhydrous Ammonia Inspection System

Agency Priority - 1

Project Type: Major enhancement/upgrade

Project description

The Boiler and Anhydrous Ammonia Inspection Systems track the inspection reports, inspection fees and certificates of over 8,000 active boilers and over 500 anyhdrous ammonia tanks. The current systems were installed in late 1997 and were written with MS FoxPro and MS Access.

Briefly describe the business need or problem driving the proposed project.

Since these systems are so old, we are starting to have compatability issues with the current operating system and MS Excel on the PC and laptops where they are installed. These databases can only be accessed via the network and not externally due to the design and speed of these systems. We are getting dynamic link errors when we try to export the data to MS Excel.

Describe how the project is consistent with the organizations mission.

It is the Departments mission to keep the citizens of ND safe by inspecting these boilers and tanks on a regular basis.

Describe the anticipated benefits of the project and who will derive the benefits.

By upgrading these systems we will be able to provide faster and more efficient prossessing of the inspection reports, fees, and issuing the certificates. We also plan to reduce the amount of paper handling by implementing electronic forms. The support staff person, boiler inspectors and boiler/tank owners will benefit, along with the citizens of ND.

Describe the impact of not implementing the project.

If we do not update these systems, it is quite possible that they will not continue to function when Microsoft releases their new versions of operating system and MS Excel.

Identify any risks associated with implementing this project and explain how the risks will be mitigated.

No risks are anticipated.

Describe the additional costs?

None

Enter any additional costs for the project that are not included in IT Object Codes used in the Project Cost Screen?

Additional Costs? - \$0

Optional Project Costs - \$0

Total Project Cost? - \$0

Tot Proj Costs + Optionals - \$0

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What additional expenditures are being paid out of non-appropriated funds?

None

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IT6030	IT CONTRACT SERVICES & REPAIRS	\$0	\$50,000	\$0	\$50,000	\$0
	Total Budget:	\$0	\$50,000	\$0	\$50,000	\$0
003	SPECIAL FUND BUDGET	\$0	\$50,000	\$0	\$50,000	\$0
	Total Funding:	\$0	\$50,000	\$0	\$50,000	\$0

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Project: SHIC-01 SHIC Computers, Monitors, Printers and MS Office

Agency Priority - 2

Project Type: Ongoing initiative

Project description

The Senior Health Insurance Counseling (SHIC) Program works with trained volunteers throughout the state to help senior citizens with questions about Medicare, Medicare Supplement, and long-term care insurance. Recently, in the past year, they are also helping senior citizens sign up for the new Medicare Part D Prescription Drug Program. The SHIC program is a federally funded program.

Briefly describe the business need or problem driving the proposed project.

This program needs to continue to supply and replace the computers that the volunteers are using to assist the senior citizens of ND.

Describe how the project is consistent with the organizations mission.

It is the mission of the SHIC program and the Department to continue to provide the citizens of ND with the best medicare related assistance consistent with the SHIC program mission.

Describe the anticipated benefits of the project and who will derive the benefits.

The citizens of ND and the volunteers will benefit from having a computer to provide fast, accurate and current information and assistance to medicare eligible beneficiaries.

Describe the impact of not implementing the project.

By not implementing this project, the SHIC volunteers will be unable to get the information required to assist the citizens of ND.

Identify any risks associated with implementing this project and explain how the risks will be mitigated.

The Department does not anticipate any risks.

Describe the additional costs?

None

Enter any additional costs for the project that are not included in IT Object Codes used in the Project Cost Screen?

Additional Costs? - \$0

Optional Project Costs - \$0

Total Project Cost? - \$0

Tot Proj Costs + Optionals - \$0

What additional expenditures are being paid out of non-appropriated funds?

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None

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IT5310	IT SOFTWARE AND SUPPLIES	\$0	\$4,800	\$0	\$4,800	\$0
IT5510	IT EQUIPMENT UNDER \$5000	\$0	\$24,800	\$0	\$24,800	\$0
	Total Budget:	\$0	\$29,600	\$0	\$29,600	\$0
R052	HCFA	\$0	\$29,600	\$0	\$29,600	\$0
	Total Funding:	\$0	\$29,600	\$0	\$29,600	\$0